

103^D CONGRESS
1ST SESSION

H. R. 741

To amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1993

Mr. SHAW (for himself, Mrs. JOHNSON of Connecticut, Mr. GRANDY, Mr. SANTORUM, Mr. MICHEL, and Mr. GINGRICH) introduced the following bill; which was referred jointly to the Committees on Ways and Means, Agriculture, Education and Labor, Energy and Commerce, Banking, Finance and Urban Affairs, and the Judiciary

A BILL

To amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Responsibility and
3 Empowerment Support Program Providing Employment,
4 Child Care, and Training Act”.

5 **SEC. 2. TABLE OF CONTENTS.**

6 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—AFDC TRANSITION AND WORK PROGRAM

Sec. 101. AFDC transition and work program.

Sec. 102. Community work experience program amendments.

Sec. 103. Work supplementation program amendments.

Sec. 104. Effective date; regulations.

TITLE II—EXPANDED STATE WAIVER AUTHORITY

Sec. 201. Authority to grant waivers to provisions of social welfare statutes to
better enable providers of social services to promote self-suffi-
ciency.

TITLE III—MISCELLANEOUS AMENDMENTS

Sec. 301. AFDC recipients required to undergo necessary substance abuse
treatment as a condition of receiving AFDC.

Sec. 302. Authority of State to modify certain AFDC income disregard rules.

7 **TITLE I—AFDC TRANSITION AND**
8 **WORK PROGRAM**

9 **SEC. 101. AFDC TRANSITION AND WORK PROGRAM.**

10 (a) IN GENERAL.—Section 402(a) of the Social Secu-
11 rity Act (42 U.S.C. 602(a)) is amended by inserting after
12 paragraph (28) the following:

13 “(29) provide that—

14 “(A) the State must have in effect a pro-
15 gram that—

1 “(i) provides qualified individuals with
2 the education, training, and work experi-
3 ence needed to prepare them for a life
4 without aid under the plan; and

5 “(ii) consists of—

6 “(I) a transition component,
7 which must include the job search
8 program established by the State
9 under section 482(g), and which may
10 include any other service, activity, or
11 program of the State that is referred
12 to in section 482(d)(1); and

13 “(II) a work component, which
14 may include a work supplementation
15 program operated by the State under
16 section 482(e), a community work ex-
17 perience program established by the
18 State under section 482(f), or any
19 other work program of the State that
20 is approved by the Secretary;

21 “(B)(i) as used in this paragraph, the term
22 ‘qualified individual’ means—

23 “(I) on and after October 1, 1994, all
24 individuals eligible for aid under the plan

1 who applied for such aid on or after such
2 date;

3 “(II) on and after October 1, 1998,
4 all individuals eligible for aid under the
5 plan; and

6 “(ii) notwithstanding clause (i), the term
7 ‘qualified individual’ does not include any indi-
8 vidual—

9 “(I) who is incapacitated;

10 “(II) at the option of the State, who
11 is making progress in a substance abuse
12 treatment program, unless this subclause
13 has been applied to the individual for 12
14 months;

15 “(III) during such 6-month period as
16 the individual may select, in which the in-
17 dividual gives birth to the first child born
18 alive to the individual after becoming eligi-
19 ble for aid under this part;

20 “(IV) during such 4-month period as
21 the individual may select, in which the in-
22 dividual gives birth to the second or subse-
23 quent child born alive to the individual
24 after becoming eligible for aid under this
25 part;

1 “(V) who is the parent of a child who
2 was returned to the home of the individual
3 during the preceding 2 months after hav-
4 ing been removed from the home; or

5 “(VI) who is providing full-time care
6 for a disabled dependent of the individual;

7 “(C)(i) each qualified individual must par-
8 ticipate in the transition component, except as
9 otherwise provided in this subparagraph;

10 “(ii) a qualified individual may not be re-
11 quired (but may be allowed) to participate in
12 the transition component if, on the basis of de-
13 mographic criteria, the State finds that it is un-
14 likely that the individual will be a recipient of
15 aid under the plan during a significant length
16 of time;

17 “(iii) a qualified individual may not par-
18 ticipate in the transition component if the indi-
19 vidual has elected to participate in the work
20 component; and

21 “(iv) a qualified individual may not partici-
22 pate in the transition component after the first
23 24 months for which the individual is a quali-
24 fied individual;

1 “(D)(i) each qualified individual participat-
2 ing in the transition component must partici-
3 pate in activities under such component for an
4 average of not fewer than 10 hours per week
5 during the first 24 months of such participa-
6 tion;

7 “(ii) the State, in consultation with the
8 Secretary, must establish guidelines by which
9 determinations under clause (i) will be made,
10 and which, in the case of educational activities
11 under the transition component, must provide
12 that an individual who is enrolled full-time in a
13 program of study at an educational institution
14 (including a vocational or technical training
15 school), as determined by the institution, and is
16 making satisfactory progress in the program of
17 study, as determined by the institution, is to be
18 regarded as participating in the transition com-
19 ponent, in accordance with such rules as the
20 Secretary may prescribe (including rules gov-
21 erning how time spent in such a program of
22 study is to be converted into hours of participa-
23 tion in the transition component);

24 “(E)(i) the State must require each quali-
25 fied individual (or, in the case of a family which

1 has received aid under the plan by reason of
2 section 407, at least 1 parent (or, at the option
3 of the State, both parents) in the family) who
4 is not participating in the transition component
5 to participate in the work component; and

6 “(ii) any qualified individual participating
7 in the work component, may, with the approval
8 of the State, discontinue participation in the
9 work component and begin or resume participa-
10 tion in the transition component, subject to
11 subparagraph (C)(iv);

12 “(iii) the State may, at its option, exempt
13 a qualified individual, during 12 of the first 24
14 months for which an individual is a qualified in-
15 dividual, from the requirement to participate in
16 the transition component or the work compo-
17 nent if the individual is described in paragraph
18 (35)(A) and is in compliance with paragraph
19 (35)(A);

20 “(F) each qualified individual must cooper-
21 ate with the State in developing a plan which—

22 “(i) describes the respective respon-
23 sibilities of the State and of the individual
24 under the program with the goal of prepar-
25 ing the individual for work; and

1 “(ii) includes a written statement in-
2 forming the individual that, upon comple-
3 tion of the transition component, aid under
4 the State plan under this part will be dis-
5 continued unless the individual finds gain-
6 ful employment or is participating in the
7 work component;

8 “(G) at the end of the first 12 months for
9 which an individual is a qualified individual (or,
10 at the option of the State, more frequently), the
11 State must determine whether the individual is
12 making clear and substantial progress toward
13 preparing for work (as defined by the State in
14 consultation with the Secretary);

15 “(H) if the State determines that a quali-
16 fied individual has failed to meet any require-
17 ment imposed under this paragraph—

18 “(i) in the case of the 1st such failure,
19 subclauses (I) and (II) of section
20 402(a)(19)(G)(i) shall apply until the fail-
21 ure to comply ceases;

22 “(ii) in the case of the 2nd such fail-
23 ure, subclauses (I) and (II) of section
24 402(a)(19)(G)(i) shall apply until the fail-

1 ure to comply ceases or 3 months, which-
2 ever is longer; and

3 “(iii) in the case of the 3rd such fail-
4 ure, the family of the individual shall not
5 be eligible for aid under the State plan
6 under this part, notwithstanding any other
7 provision of this part;

8 “(I) at the option of the State, the State
9 may impose a rule under which the family of an
10 individual shall not be eligible for aid under the
11 State plan under this part, notwithstanding any
12 other provision of this part, after the individual
13 has been required to participate in the work
14 component for a period (determined by the
15 State) of not less than 3 years; and

16 “(J) if a family becomes ineligible for aid
17 under the State plan under this part by reason
18 of subparagraph (H)(iii) or (I), the family shall,
19 for purposes of medical assistance under the
20 State plan under title XIX, be deemed to be a
21 recipient of aid under the State plan under this
22 part for so long as the family is otherwise eligi-
23 ble for aid under the State plan under this
24 part.”.

1 (b) PAYMENTS TO STATES.—Section 403 of such Act
2 (42 U.S.C. 603) is amended by adding at the end the fol-
3 lowing:

4 “(o)(1) Each State which has been paid under sub-
5 section (l) for any fiscal year an amount equal to the limi-
6 tation determined under subsection (k)(2) for the fiscal
7 year, and which operates a program under section
8 402(a)(29), shall be entitled to payments under paragraph
9 (4) of this subsection for the fiscal year in an amount
10 equal to the lesser of—

11 “(A) the sum of the applicable percentages
12 (specified in such paragraph (4)) of its expenditures
13 to carry out the program (subject to limitations pre-
14 scribed by or pursuant to such section or such para-
15 graph (4) on expenditures that may be included for
16 purposes of determining payment under such para-
17 graph (4)); or

18 “(B) the limitation determined under paragraph
19 (2) of this subsection with respect to the State for
20 the fiscal year.

21 “(2) The limitation determined under this paragraph
22 with respect to a State for any fiscal year is the amount
23 that bears the same ratio to the amount specified in para-
24 graph (3) for the fiscal year as the average monthly num-
25 ber of adult recipients (as defined in subsection (k)(4))

1 in the State in the preceding fiscal year bears to the aver-
2 age monthly number of such recipients in all the States
3 for such preceding year.

4 “(3) The amount specified in this paragraph is—

5 “(A) \$50,000,000 for fiscal year 1994;

6 “(B) \$200,000,000 for fiscal year 1995;

7 “(C) \$600,000,000 for fiscal year 1996;

8 “(D) \$1,000,000,000 for fiscal year 1997; and

9 “(E) \$1,500,000,000 for fiscal year 1998.

10 “(4) Each State which has been paid under sub-
11 section (l) for a fiscal year an amount equal to the limita-
12 tion determined under subsection (k)(2) for the fiscal year,
13 and which operates a program under section 402(a)(29)
14 during the fiscal year shall, in addition to any payment
15 under subsection (a) or (l), be entitled to payment from
16 the Secretary of an amount equal to—

17 “(A) 50 percent of the expenditures of the
18 State for administrative costs incurred in operating
19 the program during the fiscal year (other than per-
20 sonnel costs for staff employed in the operation of
21 the program); and

22 “(B) the greater of 70 percent or the Federal
23 medical assistance percentage (as defined in section
24 1118 in the case of a State to which section 1108
25 applies, or as defined in section 1905(b) in the case

1 of any other State) of the other expenditures of the
2 State incurred in operating the program during the
3 fiscal year.

4 “(5)(A) Notwithstanding paragraph (4), the Sec-
5 retary shall pay to a State an amount equal to 50 percent
6 of the expenditures of the State incurred in operating the
7 program under section 402(a)(29) during a fiscal year if
8 the State’s participation rate (determined under subpara-
9 graph (B)) for the immediately preceding fiscal year is less
10 than—

11 “(i) 15 percent if the preceding fiscal year is
12 1994;

13 “(ii) 20 percent if such year is 1995;

14 “(iii) 30 percent if such year is 1996;

15 “(iv) 40 percent if such year is 1997;

16 “(v) 50 percent if such year is 1998;

17 “(vi) 60 percent if such year is 1999; and

18 “(vii) 70 percent if such year is 2000.

19 “(B)(i) The State’s participation rate for a fiscal year
20 shall be the number, expressed as a percentage, equal to—

21 “(I) the number of individuals who participated
22 in the State’s program under section 402(a)(29) in
23 the year; divided by

24 “(II) the number of individuals required to par-
25 ticipate in the program in the year (including indi-

1 viduals with respect to whom the State has exercised
2 its option to require their participation).

3 “(ii) For purposes of this subparagraph, an individ-
4 ual shall not be considered to have satisfactorily partici-
5 pated in the program under section 402(a)(29) solely by
6 reason of the individual being registered to participate in
7 the program.

8 “(C) For purposes of this paragraph, an individual
9 shall be considered to have participated in the program
10 under section 402(a)(29) if the individual has participated
11 in accordance with such requirements, consistent with reg-
12 ulations of the Secretary, as the State shall establish.

13 “(D) If the Secretary determines that a State has
14 failed to achieve the participation rate for any fiscal year
15 specified in subparagraph (A), the Secretary may waive,
16 in whole or in part, the reduction in the payment rate oth-
17 erwise required by subparagraph (A) if the Secretary finds
18 that the State—

19 “(i) is in conformity with section 402(a)(29);

20 “(ii) has made a good faith effort to achieve the
21 participation rate; and

22 “(iii) has submitted a proposal which is likely
23 to achieve the applicable participation rates for the
24 current fiscal year and any succeeding fiscal year so
25 specified.”.

1 (c) CONFORMING AMENDMENTS.—Section 403(l)(3)
2 of such Act (42 U.S.C. 603(l)(3)) is amended—

3 (1) in subparagraph (A)—

4 (A) by striking “and” at the end of clause
5 (v);

6 (B) by striking the period in clause (vi)
7 and inserting a semicolon; and

8 (C) by adding at the end the following:

9 “(vii) 30 percent if such year is 1996;

10 “(viii) 40 percent if such year is 1997;

11 “(ix) 50 percent if such year is 1998;

12 “(x) 60 percent if such year is 1999; and

13 “(xi) 70 percent if such year is 2000.”; and

14 (2) in subparagraph (B)(ii)(IV), by striking
15 “and 1995” and inserting “through 2000”.

16 **SEC. 102. COMMUNITY WORK EXPERIENCE PROGRAM**
17 **AMENDMENTS.**

18 Section 482(f)(1)(B) of the Social Security Act (42
19 U.S.C. 682(f)(1)(B)) is amended—

20 (1) in clause (i)—

21 (A) by inserting “(I)” after “(B)(i)”; and

22 (B) by striking “(as determined by the
23 State)” and inserting “in the transition compo-
24 nent of the program under section 402(a)(29)

1 who is required to participate in the program
2 established under this subsection”; and

3 (C) by adding at the end the following:

4 “(II) Each participant in the work component of the
5 program under section 402(a)(29) who is required to par-
6 ticipate in the program established under this subsection
7 may not be required to work in any month for a number
8 of hours that exceeds 35 (or 30, if the State requires the
9 participant to engage in a job search program established
10 by the State under subsection (g)).”; and

11 (2) in clause (ii), by inserting “who is a partici-
12 pant in the transition component of the program
13 under section 402(a)(29)” after “an individual”.

14 **SEC. 103. WORK SUPPLEMENTATION PROGRAM AMEND-**
15 **MENTS.**

16 (a) **AUTHORITY OF STATES TO ASSIGN PARTICI-**
17 **PANTS TO UNFILLED JOBS.**—Section 484(c) of the Social
18 Security Act (42 U.S.C. 684(c)) is amended by striking
19 the last sentence.

20 (b) **AUTHORITY OF STATES TO USE SUMS THAT**
21 **WOULD OTHERWISE BE EXPENDED FOR FOOD STAMP**
22 **BENEFITS TO PROVIDE SUBSIDIZED JOBS FOR PARTICI-**
23 **PANTS.**—

24 (1) **IN GENERAL.**—Section 482(e)(1) of such
25 Act (42 U.S.C. 682(e)(1)) is amended—

1 (A) by inserting “, and the sums that
2 would otherwise be used to provide participants
3 in the program under this subsection with food
4 stamp benefits under the Food Stamp Act of
5 1977,” before “and use”; and

6 (B) by inserting “and the food stamp ben-
7 efits that would otherwise be so provided to
8 them” before the period.

9 (2) SUBSIDIES PROVIDED TO EMPLOYERS AND
10 INCLUDED IN WAGES OF PARTICIPANTS; MINIMUM
11 EMPLOYER CONTRIBUTION.—Section 482(e)(3) of
12 such Act (42 U.S.C. 682(e)(3)) is amended by add-
13 ing at the end the following:

14 “(E) Each State operating a work supplementation
15 program under this subsection shall enter into an agree-
16 ment with the employer who is to provide an eligible indi-
17 vidual with a supplemented job under the program, under
18 which—

19 “(i) the State is required to pay the employer
20 an amount specified in the agreement as the sub-
21 sidized portion of the wages of the eligible individ-
22 ual; and

23 “(ii) the employer is required to pay the eligible
24 individual wages which, when added to an amount
25 that will be payable as aid to families with depend-

1 ent children to the individual if the individual is paid
2 such wages, are not less than 125 percent of the
3 sum of—

4 “(I) the amount that would otherwise be
5 payable as aid to families with dependent chil-
6 dren to the eligible individual if the State did
7 not have a work supplementation program
8 under this subsection in effect; and

9 “(II) if the State elects to subsidize jobs
10 for participants in the program through the res-
11 ervation of sums that would otherwise be used
12 to provide such participants with food stamp
13 benefits under the Food Stamp Act of 1977,
14 the amount paid to the State by the Secretary
15 of Agriculture that represents the cash value of
16 the food stamp benefits for which the household
17 of the eligible individual is a member is eligible
18 under such Act.

19 “(F) For purposes of computing the amount of the
20 Federal payment to a State under paragraph (1) or (2)
21 of section 403(a), for expenditures incurred in making
22 payments to individuals and employers under the State’s
23 work supplementation program under this section, the
24 State may claim as such expenditures the maximum

1 amount payable to the State under paragraph (4) of this
2 subsection.

3 “(G) Notwithstanding paragraph (1), a State may
4 use for any purpose the sums reserved under paragraph
5 (1) which are not used to subsidize jobs under this sub-
6 section attributable to savings achieved by operation of
7 subparagraph (E).”.

8 (3) CONFORMING AMENDMENT.—Section
9 482(e)(3)(A) of such Act (42 U.S.C. 682(e)(3)(A))
10 is amended by striking the 2nd sentence.

11 (4) EMPLOYMENT CASHOUT OF FOOD STAMP
12 BENEFITS.—Section 16 of the Food Stamp Act of
13 1977 (7 U.S.C. 2025) is amended by adding at the
14 end the following:

15 “(l) If a State agency of a State that makes the elec-
16 tion described in section 482(e)(3)(E)(ii)(II) of the Social
17 Security Act informs the Secretary that an individual who
18 is participating in the work supplementation program car-
19 ried out under section 482(e) of such Act is a member
20 of a household that participates in the food stamp pro-
21 gram and all the members of the household receive bene-
22 fits under a State plan approved under part A of title IV
23 of such Act—

1 “(1) the Secretary shall pay to the State an
2 amount equal to the value of the food stamp benefits
3 the household is eligible to receive under this Act;

4 “(2) the State shall expend the amount in ac-
5 cordance with section 482(e)(3) of the Social Secu-
6 rity Act to make a payment to the individual in lieu
7 of food stamp benefits the household would receive
8 but for the operation of this subsection;

9 “(3) for purposes of—

10 “(A) sections 5 and 8(a) of this Act, the
11 amount shall be excluded from household in-
12 come and resources; and

13 “(B) section 8(b) of this Act, the amount
14 shall be considered as the value of an allotment
15 provided to the household; and

16 “(4) the household shall not receive food stamp
17 benefits from the State agency for the period during
18 which the member continues to participate in the
19 work supplementation program.”.

20 **SEC. 104. EFFECTIVE DATE; REGULATIONS.**

21 (a) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), the amendments made by this Act shall
24 take effect on October 1, 1994.

1 (2) STATE OPTION FOR EARLY APPLICABIL-
2 ITY.—If a State formally notifies the Secretary of
3 Health and Human Services of its desire to operate
4 a program pursuant to section 402(a)(29) of the So-
5 cial Security Act, during any period which begins
6 after the date of the enactment of this Act and ends
7 on September 30, 1994, with respect to 1 or more
8 groups of individuals selected by the State who are
9 eligible for aid under the State plan approved under
10 section 402 of the Social Security Act, and makes
11 such changes in the plan as are required in order to
12 so operate the program (except that, in lieu of the
13 definition contained in section 402(a)(29)(B)(i),
14 there is substituted a definition which describes such
15 group or groups) then—

16 (A) such section 402(a)(29) (with such ex-
17 ceptions) shall apply to the State during the pe-
18 riod; and

19 (B) section 403(o)(4)(B) of the Social Se-
20 curity Act shall be applied to the State for the
21 first 12 months of such period by substituting
22 “85 percent” for “the greater of 70 percent or
23 the Federal medical assistance percentage (as
24 defined in section 1118 in the case of a State
25 to which section 1108 applies, or as defined in

1 section 1905(b) in the case of any other
2 State)”.
3

4 (b) REGULATIONS.—Not later than 1 year after the
5 effective date of this Act, the Secretary of Health and
6 Human Services shall prescribe such regulations as may
7 be necessary to enable States to establish and operate
8 programs pursuant to section 402(a)(29) of the Social Se-
9 curity Act.

10 **TITLE II—EXPANDED STATE 11 WAIVER AUTHORITY**

12 **SEC. 201. AUTHORITY TO GRANT WAIVERS TO PROVISIONS 13 OF SOCIAL WELFARE STATUTES TO BETTER 14 ENABLE PROVIDERS OF SOCIAL SERVICES TO 15 PROMOTE SELF-SUFFICIENCY.**

16 (a) INTERAGENCY WAIVER REQUEST BOARD.—

17 (1) ESTABLISHMENT AND PURPOSE.—In order
18 to provide a focal point within the Federal Govern-
19 ment for the development and coordination of waiver
20 requests designed to improve opportunities for low-
21 income individuals and families, there is established
22 an Interagency Waiver Request Board (in this sub-
23 section referred to as the “Board”) which shall pro-
24 vide advice to the Chairman of the Board (in this
25 section referred to as the “Chairman”) in carrying
out this section.

1 (2) MEMBERSHIP.—

2 (A) PERMANENT MEMBERS.—The Board
3 shall consist of 8 permanent members, as fol-
4 lows:

5 (i) A Chairman appointed by and
6 serving at the pleasure of the President.

7 (ii) The Secretary of Agriculture (or
8 the designee of the Secretary).

9 (iii) The Secretary of Health and
10 Human Services (or the designee of the
11 Secretary).

12 (iv) The Secretary of Housing and
13 Urban Development (or the designee of the
14 Secretary).

15 (v) The Secretary of Labor (or the
16 designee of the Secretary).

17 (vi) The Secretary of the Interior (or
18 the designee of the Secretary).

19 (vii) The Attorney General of the
20 United States (or the designee of the At-
21 torney General).

22 (viii) The Director of the Office of
23 Management and Budget (or the designee
24 of the Director).

1 (B) LIMITED PURPOSE MEMBERS.—In ad-
2 dition, for the purpose of carrying out the duty
3 of the Board to provide advice to the Chairman
4 with respect to a particular application for
5 waivers under this section, or with respect to
6 the implementation of the reforms proposed in
7 the application, the Board shall include the
8 head of each department or agency (or the des-
9 ignee of the head) having responsibility for the
10 administration of a program which the applica-
11 tion proposes to reform.

12 (3) VACANCY.—A vacancy in the position of
13 Chairman shall be filled in the manner in which the
14 original appointment was made.

15 (4) COMPENSATION OF CHAIRMAN.—

16 (A) BASIC PAY.—

17 (i) IN GENERAL.—The Chairman shall
18 be paid at a rate equal to the rate of basic
19 pay payable for level II of the Executive
20 Schedule.

21 (ii) CONFORMING AMENDMENT.—Sec-
22 tion 5313 of title 5, United States Code, is
23 amended by adding at the end the follow-
24 ing new item:

1 “Chairman, Interagency Waiver Request
2 Board.”.

3 (B) TRAVEL EXPENSES.—The Chairman
4 shall receive travel expenses, including per diem
5 in lieu of subsistence, in accordance with sec-
6 tions 5702 and 5703 of title 5, United States
7 Code.

8 (5) APPOINTMENT AND COMPENSATION OF
9 PERSONNEL.—The Chairman may appoint and fix
10 the compensation of personnel as may be necessary
11 to assist the Board in carrying out the responsibil-
12 ities of the Board, in accordance with chapter 51
13 and subchapters III and VIII of chapter 53 of title
14 5, United States Code.

15 (6) PROHIBITION AGAINST ADDITIONAL COM-
16 PENSATION OF FEDERAL OFFICERS OR EMPLOY-
17 EES.—Members of the Board who are full-time offi-
18 cers or employees of the United States (other than
19 the Chairman) may not be provided additional pay,
20 allowances, or benefits by reason of their service on
21 the Board.

22 (7) MEETINGS.—The Board shall meet not less
23 than twice annually at the call of the Chairman.

24 (8) POWERS.—

1 (A) ASSISTANCE OF OTHER FEDERAL EN-
2 TITIES.—The head of each Federal department
3 or agency who is a permanent or other member
4 of the Board shall make available to the Board
5 such assistance as the Board may require to
6 carry out the activities of the Board.

7 (B) USE OF UNITED STATES MAILS.—The
8 Board may use the United States mails in the
9 same manner and under the same conditions as
10 other departments and agencies of the United
11 States.

12 (C) ACCEPTANCE OF GIFTS, BEQUESTS,
13 AND DEVISES.—The Board may accept, use,
14 and dispose of gifts, bequests, or devises of
15 services or property, both real and personal, for
16 the purpose of aiding or facilitating the work of
17 the Board. Gifts, bequests, or devises of money
18 and proceeds from sales of other property re-
19 ceived as gifts, bequests, or devises shall be de-
20 posited in the Treasury and shall be available
21 for disbursement upon order of the Chairman.

22 (9) ANNUAL REPORTS.—The Board shall trans-
23 mit annually to the Congress a report containing a
24 detailed statement of the activities of the Board dur-
25 ing the year covered by the report.

1 (b) APPLICATION FOR WAIVERS.—Any entity that is
2 receiving or is eligible to receive Federal funds or other
3 Federal assistance under a program referred to in sub-
4 section (h) may submit to the Chairman an application
5 which contains—

6 (1) a proposal to reform the conduct of the pro-
7 gram (and, if appropriate, any other such program)
8 by the entity;

9 (2) a written statement, from each other non-
10 Federal officer or entity to which the Federal funds
11 or assistance would otherwise be provided (either di-
12 rectly or through intervening levels of grantees or
13 other recipients) under the program or programs,
14 that such other officer or entity approves of the pro-
15 posal and will cooperate in the implementation of the
16 proposal by the entity;

17 (3) a list of the provisions of law or regulation
18 which prevent the entity from implementing the pro-
19 posal; and

20 (4) a request that the Chairman, and the offi-
21 cer or officers of the Federal Government respon-
22 sible for the administration of the program or pro-
23 grams proposed to be reformed, waive the applica-
24 tion of such provisions of law or regulation, to the

1 extent necessary to enable the entity to implement
2 the proposal.

3 (c) ADMINISTRATIVE PROVISIONS.—

4 (1) EVALUATION AND RECOMMENDATIONS.—

5 The Chairman shall—

6 (A) evaluate the proposal contained in any
7 application submitted in accordance with sub-
8 section (b), and make recommendations with re-
9 spect to the proposal; and

10 (B) transmit the application and rec-
11 ommendations to the officer or officers referred
12 to in subsection (b)(4).

13 (2) INTERAGENCY COORDINATION.—The Chair-
14 man shall provide for the coordination of all actions
15 under this section with respect to an application
16 submitted in accordance with subsection (b) that
17 proposes the coordinated implementation of reforms
18 to 2 or more programs referred to in subsection (h).

19 (d) AGENCY REVIEW.—Within 45 days after an offi-
20 cer of the Federal Government receives an application
21 transmitted pursuant to subsection (c)(1)(B), the officer
22 shall review the application and notify the Chairman of
23 the opinion of the officer as to—

24 (1) whether the program, as proposed to be re-
25 formed, would—

1 (A)(i) help certain individuals for whom
2 long-term assistance is necessary to meet basic
3 human welfare needs and improve their living
4 conditions in the most efficient and effective
5 way possible; and

6 (ii) help able-bodied individuals and their
7 families, on a temporary basis, meet basic
8 human welfare needs and improve their living
9 conditions in the most efficient and effective
10 way possible;

11 (B) help individuals and families acquire
12 skills necessary to—

13 (i) improve their living conditions sub-
14 stantially;

15 (ii) maintain and strengthen family
16 relationships; and

17 (iii) attain or retain the capability for
18 maximum self-support and independence;

19 or

20 (C) promote individual initiative and per-
21 sonal behavior consistent with progress toward
22 self-sufficiency and a strong family life;

23 (2) whether the program, as proposed to be re-
24 formed, would reasonably meet the needs of the in-
25 tended beneficiaries of the program; and

1 (3) whether granting the requested waiver
2 would unnecessarily or unreasonably affect individ-
3 uals or families adversely.

4 (e) FINAL ACTION BY CHAIRMAN.—

5 (1) WAIVER AUTHORITY.—The Chairman may
6 approve an application submitted in accordance with
7 subsection (b) and grant the waiver or waivers pro-
8 posed in the application if the Chairman has deter-
9 mined that—

10 (A) the program or programs proposed to
11 be reformed in the application, as so reformed,
12 would meet the requirements of any subpara-
13 graph of subsection (d)(1) and reasonably meet
14 the needs of the intended beneficiaries of the
15 program or programs; and

16 (B) granting the requested waiver would
17 not unnecessarily or unreasonably affect indi-
18 viduals or families adversely.

19 (2) CONDITIONAL APPROVAL.—The Chairman
20 may condition approval of the application on the ac-
21 ceptance by the applicant of specified modifications
22 to the application.

23 (3) DEADLINE.—Within 120 days after the
24 Chairman receives an application submitted in ac-
25 cordance with subsection (b), the Chairman shall ap-

1 prove, conditionally approve, or disapprove the appli-
2 cation, and notify the applicant of such action.

3 (4) LIMITATION.—This subsection shall not be
4 construed to authorize the Chairman to waive the
5 application to any entity referred to in subsection
6 (b) of a provision of law or regulation applicable to
7 a program if the waiver would result in net pay-
8 ments by the Federal Government to the entity
9 under the program for a fiscal year in excess of the
10 net payments which would otherwise be so made to
11 the entity.

12 (f) REVOCATION OF WAIVER.—If, after granting a
13 waiver under subsection (e)(1), the Chairman finds that
14 the applicant has failed to carry out the program in ac-
15 cordance with any applicable provision of law or regula-
16 tion, or has failed to implement the reforms proposed in
17 the application for the waiver, the Chairman may revoke
18 the waiver in whole or in part, effective at such time as
19 the Chairman deems appropriate.

20 (g) SPECIAL RULES.—For purposes of this section:

21 (1) INDIAN TRIBES DEEMED TO BE STATES.—
22 In the case of a program referred to in subsection
23 (h) under which assistance is provided with respect
24 to an Indian Tribe, the Indian tribal organization is
25 deemed to be the State.

1 (2) BOARD OF DIRECTORS OF THE LEGAL
2 SERVICES CORPORATION DEEMED TO BE A FEDERAL
3 OFFICER.—The Board of Directors of the Legal
4 Services Corporation is deemed to be the officer of
5 the Federal Government responsible for the adminis-
6 tration of the program referred to in subsection
7 (h)(67).

8 (h) PROGRAMS SUBJECT TO WAIVER AUTHORITY.—
9 The programs referred to in this subsection are the follow-
10 ing:

11 (1) The program of medical assistance under
12 title XIX of the Social Security Act.

13 (2) The Maternal and Child Health Services
14 Block Grant Program under title V of the Social Se-
15 curity Act.

16 (3) The program established in section 330 of
17 the Public Health Service Act (relating to commu-
18 nity health centers).

19 (4) The program established in section 1001 of
20 the Public Health Service Act (relating to family
21 planning methods and services).

22 (5) The program of cash and medical assistance
23 to refugees and Cuban/Haitian entrants under sec-
24 tion 412(e) of the Immigration and Nationality Act
25 (8 U.S.C. 1522(e)) and through the exercise of au-

1 thority under section 501(a) of the Refugee Edu-
2 cation Assistance Act of 1980 (Public Law 96–422).

3 (6) The program established in section 329 of
4 the Public Health Service Act (relating to migrant
5 health centers).

6 (7) The program of aid and services to needy
7 families with children under part A of title IV of the
8 Social Security Act.

9 (8) The child welfare services program under
10 part B of title IV of the Social Security Act.

11 (9) The supplemental security income program
12 under title XVI of the Social Security Act.

13 (10) The program of foster care and adoption
14 assistance under part E of title IV of the Social Se-
15 curity Act.

16 (11) The food stamp program, as defined in
17 section 3(h) of the Food Stamp Act of 1977 (7
18 U.S.C. 2012(h)).

19 (12) The school lunch program carried out
20 under the National School Lunch Act (42 U.S.C.
21 1751 et seq.).

22 (13) The special supplemental food program for
23 women, infants, and children carried out under sec-
24 tion 17 of the Child Nutrition Act of 1966 (42
25 U.S.C. 1786).

1 (14) The nutrition programs carried out under
2 part C of title III of the Older Americans Act of
3 1965 (42 U.S.C. 3030e et seq.).

4 (15) The school breakfast program carried out
5 under section 4 of the Child Nutrition Act of 1966
6 (42 U.S.C. 1773).

7 (16) The child and adult care food program
8 carried out under section 17 of the National School
9 Lunch Act (42 U.S.C. 1766).

10 (17) The Emergency Food Assistance Act of
11 1983 (7 U.S.C. 612c note).

12 (18) The summer food service program for chil-
13 dren carried out under section 13 of the National
14 School Lunch Act (42 U.S.C. 1761).

15 (19) The commodity supplemental food pro-
16 gram authorized by section 4(a) of the Agriculture
17 and Consumer Protection Act of 1973 (7 U.S.C.
18 612c note).

19 (20) The special milk program carried out
20 under section 3 of the Child Nutrition Act of 1966
21 (42 U.S.C. 1772).

22 (21) The program of rental assistance on behalf
23 of low-income families provided under section 8 of
24 the United States Housing Act of 1937 (42 U.S.C.
25 1437f).

1 (22) The program of assistance to public hous-
2 ing under title I of the United States Housing Act
3 of 1937 (42 U.S.C. 1437 et seq.).

4 (23) The loan program under section 502 of the
5 Housing Act of 1949 (42 U.S.C. 1472).

6 (24) The program of interest reduction pay-
7 ments pursuant to contracts entered into by the Sec-
8 retary of Housing and Urban Development under
9 section 236 of the National Housing Act (12 U.S.C.
10 1715z-1).

11 (25) The program of loans for rental and coop-
12 erative housing under section 515 of the Housing
13 Act of 1949 (42 U.S.C. 1485).

14 (26) The program of rental assistance pay-
15 ments pursuant to contracts entered into under sec-
16 tion 521(a)(2)(A) of the Housing Act of 1949 (42
17 U.S.C. 1490a(a)(2)(A)).

18 (27) The program of assistance payments on
19 behalf of homeowners under section 235 of the Na-
20 tional Housing Act (12 U.S.C. 1715z).

21 (28) The program of rent supplement payments
22 on behalf of qualified tenants pursuant to contracts
23 entered into under section 101 of the Housing and
24 Urban Development Act of 1965 (12 U.S.C. 1701s).

1 (29) The loan and grant programs under sec-
2 tion 504 of the Housing Act of 1949 (42 U.S.C.
3 1474) for repairs and improvements to rural dwell-
4 ings.

5 (30) The loan and assistance programs under
6 sections 514 and 516 of the Housing Act of 1949
7 (42 U.S.C. 1484, 1486) for housing for farm labor.

8 (31) The program of grants for preservation
9 and rehabilitation of housing under section 533 of
10 the Housing Act of 1949 (42 U.S.C. 1490m).

11 (32) The program of grants and loans for mu-
12 tual and self-help housing and technical assistance
13 under section 523 of the Housing Act of 1949 (42
14 U.S.C. 1490c).

15 (33) The program of site loans under section
16 524 of the Housing Act of 1949 (42 U.S.C. 1490d).

17 (34) The program under part B of title IV of
18 the Higher Education Act of 1965.

19 (35) The program under subpart 1 of part A of
20 title IV of the Higher Education Act of 1965.

21 (36) The programs under the Head Start Act
22 (42 U.S.C. 9831 et seq.).

23 (37) The program under part C of title IV of
24 the Higher Education Act of 1965.

1 (38) The program under subpart 3 of part A of
2 title IV of the Higher Education Act of 1965.

3 (39) The programs under the Carl D. Perkins
4 Vocational and Applied Technology Education Act.

5 (40) The programs for migrant children under
6 sections 1201 through 1203 of the Elementary and
7 Secondary Education Act of 1965 (20 U.S.C. 2781–
8 83).

9 (41) The program under chapter 1 of subpart
10 2 of part A of title IV of the Higher Education Act
11 of 1965.

12 (42) The program under part E of title IV of
13 the Higher Education Act of 1965.

14 (43) The program under subpart 4 of part A of
15 title IV of the Higher Education Act of 1965.

16 (44) The program under title IX of the Higher
17 Education Act of 1965.

18 (45) The program under subpart 5 of part A of
19 title IV of the Higher Education Act of 1965.

20 (46) The program under chapter 1 of title I of
21 the Elementary and Secondary Education Act of
22 1965.

23 (47) The programs under the Follow Through
24 Act (42 U.S.C. 9861–9877).

1 (48) The programs established in sections 338A
2 and 338B of the Public Health Service Act and the
3 programs established in part A of title VII of such
4 Act (relating to loans and scholarships for education
5 in the health professions).

6 (49) The program established in section
7 317(j)(1) of the Public Health Service Act (relating
8 to grants for immunizations against vaccine-prevent-
9 able diseases).

10 (50) The program established in section 317A
11 of the Public Health Service Act (relating to grants
12 for screening, referrals, and education regarding
13 leading poisoning in infants and children).

14 (51) The program established in part A of title
15 XIX of the Public Health Service Act (relating to
16 block grants for preventive health and health serv-
17 ices).

18 (52) The programs established in subparts I
19 and II of part B of title XIX of the Public Health
20 Service Act.

21 (53) The programs under part C of title IV of
22 the Elementary and Secondary Education Act of
23 1965 (20 U.S.C. 3081–3112).

1 (54) The programs carried out under the Child
2 Development Associate Scholarship Assistance Act
3 of 1985 (42 U.S.C. 10901 et seq.).

4 (55)(A) The program of training for disadvan-
5 tagged adults and youth under part A of title II of
6 the Job Training Partnership Act (29 U.S.C. 1601
7 et seq.), as in effect before July 1, 1993.

8 (B)(i) The program of training for disadvan-
9 tagged adults under part A of title II of the Job
10 Training Partnership Act (29 U.S.C. 1601 et seq.),
11 as in effect on and after July 1, 1993.

12 (ii) The program of training for disadvantaged
13 youth under part C of title II of the Job Training
14 Partnership Act (29 U.S.C. 1641 et seq.), as in ef-
15 fect on and after July 1, 1993.

16 (56) The Job Corps program under part B of
17 title IV of the Job Training Partnership Act (29
18 U.S.C. 1692 et seq.).

19 (57) The summer youth employment and train-
20 ing programs under part B of title II of the Job
21 Training Partnership Act (29 U.S.C. 1630 et seq.).

22 (58) The programs carried out under the Older
23 American Community Service Employment Act (42
24 U.S.C. 3001 et seq.).

1 (59) The programs under title III of the Older
2 Americans Act of 1965.

3 (60) The programs carried out under part B of
4 title II of the Domestic Volunteer Service Act of
5 1973 (42 U.S.C. 5011–5012).

6 (61) The programs carried out under part C of
7 title II of the Domestic Volunteer Service Act of
8 1973 (42 U.S.C. 5013).

9 (62) The State unemployment compensation
10 programs approved under section 303 of the Social
11 Security Act and under section 3304 of the Internal
12 Revenue Code of 1986.

13 (63) The program under the Low-Income En-
14 ergy Assistance Act of 1981 (42 U.S.C. 8621 et
15 seq.).

16 (64) The weatherization assistance program
17 under title IV of the Energy Conservation and Pro-
18 duction Act (42 U.S.C. 6851).

19 (65) The program of block grants to States for
20 social services under title XX of the Social Security
21 Act.

22 (66) The programs carried out under the Com-
23 munity Services Block Grant Act (42 U.S.C. 9901
24 et seq.).

1 (67) The program of legal assistance to eligible
2 clients and other programs under the Legal Services
3 Corporation Act (42 U.S.C. 2996 et seq.).

4 (68) The program for emergency food and shel-
5 ter grants under title III of the Stewart B. McKin-
6 ney Homeless Assistance Act (42 U.S.C. 11331 et
7 seq.).

8 (69) The program of social services for refugees
9 and Cuban/Haitian entrants under section 412(c) of
10 the Immigration and Nationality Act (8 U.S.C.
11 1522(c)) and through the exercise of authority
12 under section 501(a) of the Refugee Education As-
13 sistance Act of 1980 (Public Law 96-422).

14 (70) The programs carried out under the Child
15 Care and Development Block Grant Act of 1990 (42
16 U.S.C. 9858 et seq.).

17 (71) A State program for providing child care
18 under section 402(i) of the Social Security Act.

19 (72) The program of State legalization impact-
20 assistance grants (SLIAG) under section 204 of the
21 Immigration Reform and Control Act of 1986.

1 **TITLE III—MISCELLANEOUS**
2 **AMENDMENTS**

3 **SEC. 301. AFDC RECIPIENTS REQUIRED TO UNDERGO NEC-**
4 **CESSARY SUBSTANCE ABUSE TREATMENT AS A**
5 **CONDITION OF RECEIVING AFDC.**

6 (a) IN GENERAL.—Section 402(a) of the Social Secu-
7 rity Act (42 U.S.C. 602(a)) is amended by inserting after
8 paragraph (34) the following:

9 “(35) provide that—

10 “(A) as a condition of eligibility for aid,
11 each applicant or recipient who the State deter-
12 mines is addicted to alcohol or drugs must be
13 required to agree to participate, and must
14 maintain satisfactory participation (as deter-
15 mined by the State), in an appropriate addic-
16 tion treatment program; and

17 “(B) each applicant or recipient who fails
18 to comply with any requirement imposed pursu-
19 ant to subparagraph (A) shall not be eligible for
20 aid during the 2-year period that begins with
21 such failure to comply.”.

22 (b) EFFECTIVE DATE.—

23 (1) IN GENERAL.—Except as provided in para-
24 graph (2), the amendment made by subsection (a)
25 shall take effect on the date of the enactment of this

1 Act, and apply to payments under part A of title IV
2 of the Social Security Act for calendar quarters end-
3 ing after such date.

4 (2) DELAY PERMITTED IF STATE LEGISLATION
5 REQUIRED.—In the case of a State plan approved
6 under section 402(a) of the Social Security Act
7 which the Secretary of Health and Human Services
8 determines requires State legislation (other than leg-
9 islation appropriating funds) in order for the plan to
10 meet the additional requirement imposed by the
11 amendment made by subsection (a) of this section,
12 the State plan shall not be regarded as failing to
13 comply with the requirements of such section 402(a)
14 solely on the basis of the failure of the plan to meet
15 such additional requirement before the end of the 2-
16 year period that begins with the date of the enact-
17 ment of this Act.

18 **SEC. 302. AUTHORITY OF STATE TO MODIFY CERTAIN AFDC**

19 **INCOME DISREGARD RULES.**

20 (a) IN GENERAL.—Section 402(a)(8)(B) of the So-
21 cial Security Act (42 U.S.C. 602(a)(8)(B)) is amended—

22 (1) by striking “and” at the end of clause (i);

23 and

24 (2) by adding at the end the following:

1 “(iii) notwithstanding clauses (ii) and (iv)
2 of subparagraph (A) and clause (ii) of this sub-
3 paragraph, may disregard earned income of any
4 child or relative receiving aid to families with
5 dependent children, or of any other individual
6 (living in the same home as such relative and
7 child) whose needs as taken into account in
8 making the determination under paragraph (7),
9 in accordance with any combination of rules
10 which (as determined by the State in accord-
11 ance with regulations prescribed by the Sec-
12 retary) is at least as favorable to the recipient
13 of such aid as the combination of rules con-
14 tained in such clauses, but not more favorable
15 to the recipient than a rule providing for the
16 disregard of the first \$200 of the total of such
17 earned income for such month plus $\frac{1}{3}$ of the
18 remainder thereof; and”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to benefits payable for calendar
21 months beginning after the date of the enactment of this
22 Act.

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